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UNIVERSAL CREDIT (direct payments of housing support) – impacts for local authority and ALMO landlords

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Objectives of this talk

- To introduce Universal Credit and direct payments of housing support
- Local Support services
- Direct payment demonstration projects
- What (local authority) landlords need to do to prepare



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Welfare Reform

- The Government's vision
- Welfare reforms implemented to date.
- Universal Credit.



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Universal Credit

- UC - a new single system.
- Replaces package of working age benefits.
- Support for housing costs.
- One single monthly payment - on line.
- Why.



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UC – gradual roll-out

- UC will roll out gradually from 2013 until 2017.
- Pathfinder since April 2013.
- From October 2013, UC will roll out to six more Jobcentres



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UC and housing support

- Payment of rent direct to claimants;
- Will support transition to work.
- Risk mitigation.



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Local support services

- Most people will be able to cope – but some will need help.
- Universal Credit Local Support Services Framework.
- local delivery partnerships



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Current UC landscape

- Pathfinders
- LA-led UC pilots.
- Demonstration projects to test direct payments of housing support (next slides)



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Direct Payment Demonstration Projects

- Six local authorities and housing associations, around 12,000 claimants
- Started in June 2012 - until Dec 2013
- test bed, mixture of approaches

Direct Payments Demonstration Projects

Six participating Local Authority areas
(Combination of LA and HA landlords and Revs
and Bens):



— London: **Southwark**, with Family Mosaic Housing Association

— West Midlands: **Shropshire**, with Bromford Group, The Wrekin Housing Trust, Sanctuary Housing

— Northern England: **Wakefield**, with Wakefield & District Housing (WDH)

— Southern England: **Oxford**, with the GreenSquare* group (*participated to 12 months)

— Wales: **Torfaen**, with Charter Housing, and Bron Afon Housing

— Scotland: **Edinburgh**, with Dunedin & Canmore Housing Association



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DPDP learning

- Two main learning outputs from the demo projects:
 - External, CRESR independent evaluation
 - Internal, by DWP with 6 partner areas.



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Demo projects – payments, switch backs, arrears

- Early findings
 - Tenant numbers
 - Collection rates and arrears
 - Switch backs



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Learning to date

- Communications
- Tenant responsibility
- Tenant support
- Knowing your customer
- money advice
- upsurge in tenant contact



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Lord Freud announcement June 2013

- Vulnerable tenants
- failsafe - 2 months equivalent rent arrears
- Early intervention
- Recovery of arrears - third party deductions.
- Persistent underpayments
- Budgeting support
- Alternative payment methods.
- Gradual roll-out.



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Engagement with landlords

- Working with social landlords - tenant preparation, and Local Support Services.
- Landlord knowledge of existing tenants
- Reviewing data sharing.



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What do LA landlords need to do to prepare?

- Business planning
- Work with other agencies
- Identify affected tenants
- Local Support Services
- Direct Payment Learning Network – landlords should register for this -
<http://www.cih.co.uk/directpaymentslearningnetwork>.
- Help tenants respond
 - Money advice
 - Online and bank accounts



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- Questions?
- Feedback/points for us to watch?